

**2007****Nonresident Withholding Annual Return****592****Nonresident Withholding****(Independent contractors, rents, royalties, estate & trust beneficiaries, domestic nonresident S corporation shareholders/partners/members)**

If you withheld on foreign (non-U.S.) partners, use Side 2 of this form.

If you withheld on both foreign partners and other payees, file a separate Form 592 for the foreign partners.

Form 592-B Type: ☐ Form 592-B attached for each recipient. ☐ Form 592-B information on magnetic media.**Part I Withholding Agent**

Name of Withholding Agent (Payer)

☐ CA Corp no. ☐ FEIN

Address (including suite, room, PO Box, or PMB no.)

Withholding Agent's SSN or ITIN

City

State

ZIP Code

Contact person's name and title (type or print)

Daytime telephone no.

( )

**Part II Tax Withheld**

**Type of Income:** ☐ Payment to Independent Contractor ☐ Rents or Royalties ☐ Estate Distributions ☐ Trust Distributions  
☐ Distributions to Domestic Nonresident S Corporation Shareholders/Partners/Members (see Side 2 for foreign partners/members)  
☐ Other \_\_\_\_\_

**1** Enter number of 592-B for the type(s) of income checked above. **1** \_\_\_\_\_  
**2** Total amount of California source income subject to withholding **2** \_\_\_\_\_ 00  
**3** Total withholding due **3** \_\_\_\_\_ 00  
**4** Prior payments for the above calendar year

Date	Amount	Date	Amount	Date	Amount

Total prior payments **4** \_\_\_\_\_ 00**5 Balance due.** Subtract line 4 from line 3 and enter the balance due. If less than zero, enter -0-.

Attach a check or money order for the full amount payable to the "Franchise Tax Board."

Write the payer's FEIN, CA corp no., SSN or ITIN and "2007 Form 592" on the check or money order. **5** \_\_\_\_\_ 00Mail Form 592 to the **FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0651.****Part III Tax Withheld by Another Entity on this Partnership, Limited Liability Company (LLC), S Corporation, Estate, or Trust**

**6** Enter number of additional Forms 592-B attached, flowing through the credit. The credit must be allocated to all S corporation shareholders, partners, members, or beneficiaries, whether residents or nonresidents of California, according to their interests in the above S corporation, partnership, LLC, estate, or trust. (**Do not** include Forms 592-B already included on line 1.) **6** \_\_\_\_\_  
**7** Enter amount withheld by another entity and being allocated to the S corporation shareholders, partners, members, or beneficiaries. This credit must be documented by a Form 592-B, 593-B, or 594 from the withholding entity. (**Do not** include withholding included on line 3 or any credit being used against tax owed on the S corporation, partnership, LLC, estate, or trust California tax return.) **7** \_\_\_\_\_ 00

**Part IV Perjury Statement**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than withholding agent) is based on all information of which preparer has any knowledge.

Name and title of withholding agent (type or print)

Signature of withholding agent

Date

Name of preparer company (type or print)

Signature of preparer other than withholding agent

Date

Name and title of individual preparer other than withholding agent (type or print)

SSN/FEIN/PTIN of preparer

( )

Address of preparer

Daytime telephone number of preparer

**Foreign Partner or Member Withholding**

If you withheld on payees other than foreign (non-U.S.) partners/members, use Side 1 of this form.

If you withheld on both foreign partners/members and other payees, file a separate Form 592 for the foreign partners/members.

**Taxable year:** Beginning month \_\_\_\_\_ day \_\_\_\_\_ year \_\_\_\_\_, and ending month \_\_\_\_\_ day \_\_\_\_\_ year \_\_\_\_\_.Form 592-B Type: ☐ Form 592-B attached for each recipient. ☐ Form 592-B information on magnetic media.**Part I Withholding Agent (Partnership or Limited Liability Company (LLC))**

Name of Withholding Agent (Partnership or LLC)

Withholding Agent's FEIN

Address (including suite, room, PO Box, or PMB no.)

City

State

ZIP Code

Contact person's name and title (type or print)

Daytime telephone no.

( )

**Part II Tax Withheld – Foreign Nonresident Partners or Members**

- 1** Are all partners or members foreign (non-U.S.) nonresidents? ..... **1** ☐ Yes ☐ No
- 2** Enter number of Forms 592-B for foreign partners or members ..... **2** \_\_\_\_\_
- 3** Total California source taxable income allocable to:
- |   |                         |                 |    |
|---|-------------------------|-----------------|----|
| <b>a</b> Non-corporate foreign nonresident partners or members      | \$ _____ x 9.3% .....   | <b>3a</b> _____ | 00 |
| <b>b</b> Corporate foreign nonresident partners or members          | \$ _____ x 8.84% .....  | <b>3b</b> _____ | 00 |
| <b>c</b> Foreign bank and financial institution partners or members | \$ _____ x 10.84% ..... | <b>3c</b> _____ | 00 |
- 4** Total foreign partners' or members' withholding due. Add line 3a through line 3c. .... **4** \_\_\_\_\_ 00
- 5** Prior payments of foreign partners' or members' withholding for the taxable year shown above

Date	Amount	Date	Amount	Date	Amount

Total prior payments ..... **5** \_\_\_\_\_ 00

- 6** Amount credited from prior year's withholding ..... **6** \_\_\_\_\_ 00
- 7** Total payments. Add line 5 and line 6. .... **7** \_\_\_\_\_ 00
- 8 Balance due.** Subtract line 7 from line 4 and enter the result here. If this amount is less than zero, enter -0-. Attach a check or money order for the full amount payable to the "Franchise Tax Board." Write the partnership's or LLC's FEIN and "2007 Form 592" on the check or money order. .... **8** \_\_\_\_\_ 00
- Mail Form 592 to the **FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0651.**
- 9 Overpayment.** If line 7 is more than line 4, subtract line 4 from line 7 and enter the result here. .... **9** \_\_\_\_\_ 00
- 10** Enter the amount of line 9 you want credited to next year's Form 592. .... **10** \_\_\_\_\_ 00
- 11 Refund.** Subtract line 10 from line 9 and enter the result here ..... **11** \_\_\_\_\_ 00

**Part III Tax Withheld by Another Entity on this Partnership or LLC**

- 12** Enter number of additional Forms 592-B attached, flowing through the credit. The credit must be allocated to all partners or members, whether residents or nonresidents of California according to their interests in the above partnership or LLC. (**Do not** include Forms 592-B already included on line 2.) ..... **12** \_\_\_\_\_
- 13** Enter amount withheld by another entity and being allocated to the partners or members. This credit must be documented by a Form 592-B, 593-B, or 594 from the withholding entity. (**Do not** include withholding included on line 4 or any credit being used against tax owed on the partnership or LLC California tax return.) . **13** \_\_\_\_\_ 00

**Part IV Perjury Statement**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than withholding agent) is based on all information of which preparer has any knowledge.

Name and title of withholding agent (type or print)

Signature of withholding agent

Date

Name of preparer company (type or print)

Signature of preparer other than withholding agent

Date

Name and title of individual preparer other than withholding agent (type or print)

SSN/FEIN/PTIN of preparer

( )

Address of preparer

Daytime telephone number of preparer

# Instructions for Form 592

References in these instructions are to the California Revenue and Taxation Code (R&TC).

## What's New

**Round Cents to Dollars** – Beginning with the 2007 tax forms, round cents to the nearest whole dollar. For example, round \$50.50 up to \$51 or round \$25.49 down to \$25.

## General Information

For California withholding purposes only, a reference in these instructions to:

- “Nonresident” includes individuals who are not residents of California, corporations not qualified through the California Secretary of State (SOS) to do business in California or having no permanent place of business in California, partnerships, or limited liability companies (LLCs) with no permanent place of business in California, any trust without a resident grantor, beneficiary, or trustee, or estates where the decedent was not a California resident.
- “Foreign” refers to non-U.S.

For information on the withholding requirements or to send withholding payments during the year, get Form 592-A, Nonresident Withholding Remittance Statement.

## Purpose

Use Form 592, Nonresident Withholding Annual Return, to report the total withholding for the year under California Revenue and Taxation Code (R&TC) Sections 18662 and 18666. Form 592 is also a transmittal form for Form(s) 592-B, Nonresident Withholding Tax Statement. Also, Form 592, with Forms 592-B, is used by pass-through entities to flow through withholding credit to their S corporation shareholders, partners, members, or beneficiaries. Real Estate Withholding should not be reported on a Schedule K-1 or this form.

**Do not** use Form 592 if:

- You are the buyer or escrow person withholding on the sale of real estate. Use Form 593, Real Estate Withholding Tax Statement, to remit and report real estate withholding.
- You already paid the withholding with Form 594, Notice to Withhold Tax at Source, for a particular engagement.

## Common Errors/Helpful Hints

If you are filing Form 592 only to flow through withholding to your S corporation shareholders, partners, members, or beneficiaries:

- Enter your information in Part I as the withholding agent. Do not enter the name or ID number of the entity which withheld on you.
- Skip Part II and go to Part III.

## When and Where to File

For withholding on independent contractors, recipients of rents and royalties, domestic nonresident S corporation shareholders, partners, and beneficiaries of estates and trusts, file Form 592, Side 1 on or before January 31 following the close of the calendar year.

For withholding on foreign partners, file Form 592, Side 2 on or before the 15th day of the 4th month following the close of the

partnership's taxable year. If all the partners are foreign, Form 592 must be filed on or before the 15th day of the 6th month after the close of the partnership's taxable year.

Send any payment due, Form 592, and Forms 592-B to:

FRANCHISE TAX BOARD  
PO BOX 942867  
SACRAMENTO CA 94267-0651

## Magnetic Media Requirements

Form 592-B information must be filed with the FTB via magnetic media instead of paper when the number of Forms 592-B is 250 or more. However, withholding agents must continue to provide vendors/payees with paper Forms 592-B. Complete Form 592 and send the original Form 592 with any payment to the address shown on the Form 592 and separately send a copy of Form 592 (marked “copy” at the top) with the disk to:

WITHHOLDING SERVICES AND COMPLIANCE  
FRANCHISE TAX BOARD  
PO BOX 942867  
SACRAMENTO CA 94267-0651

If you are the preparer for more than one withholding agent, provide a separate Form 592 and disk for each withholding agent. For the required file format and record layout, get FTB Pub. 1023F, Nonresident Withholding Magnetic Media Requirements.

## Interest and Penalties

Interest on late payments is computed from the due date of the withholding to the date paid. Failure to withhold may result in the withholding agent being personally liable for the amount of tax that should have been withheld and for interest and penalties.

- Failure to provide correct Forms 592-B to the FTB by the due date may result in penalties up to \$100 per Form 592-B.
- Failure to provide correct Forms 592-B to the payees by the due date may result in penalties up to \$100 per Form 592-B.

## Specific Instructions

### Private Mail Box

Include the Private Mail Box (PMB) in the address field. Write the acronym “PMB” first, then the box number. Example: 111 Main Street PMB 123.

### Nonresident Withholding (Side 1)

**Year** – Make sure the year in the upper left corner of Form 592 represents the calendar year in which the withholding took place. If a partnership's, LLC's, S corporation's, or trust's current distribution represents prior year California source income, go to our Website at [www.ftb.ca.gov](http://www.ftb.ca.gov) and get the Form 592 that represents the year the income was earned. In addition, attach a letter to Form 592 explaining that the distribution took place in the current withholding year, but was source income from a prior year.

**Form 592-B Type** – Check one of the two boxes to show how you are providing the Form 592-B information to the FTB.

Magnetic media is required if you withheld on 250 or more payees.

**Part I** – Enter the withholding agent's name, ID number, address, and contact person information. If your entity is an S corporation, partnership, LLC, estate, or trust that was withheld upon by another entity and you are flowing through the withholding credit to your S corporation shareholders, partners, members, or beneficiaries, enter **your entity's** name, ID number, address, and contact person information in the withholding agent area.

**Part II** – Complete Part II only if you withheld on payments to nonresidents. If you are an S corporation, partnership, LLC, estate, or trust that was withheld upon by another entity and you are filing Form 592 only to flow the withholding to your S corporation shareholders, partners, members, or beneficiaries, skip Part II and go to Part III.

**Type of Income** – Check the box(es) that reflect the type of income withheld upon.

**Line 1** – Enter the number of Forms 592-B attached for payees you withheld upon. There should be only one Form 592-B for each payee withheld upon.

**Line 2** – Enter the total amount of California source income subject to withholding.

**Line 3** – Enter the total amount withheld.

**Line 4** – List the date and amount of each payment previously sent to the FTB for the calendar year. Enter the total of these payments on line 4.

**Line 5** – Subtract line 4 from line 3 and enter the balance due. If less than zero, enter -0-. Attach a check or money order for the full amount payable to the “Franchise Tax Board.” Write the withholding agent's ID number and “2007 Form 592” on the check or money order.

**Part III – Complete Part III only if either of the following apply:**

- You are an S corporation, partnership, or LLC and you were withheld upon by another entity.
- You are an estate or trust, you were withheld upon by another entity, **and** you distributed the related income in the current year.

**Line 6** – Enter the number of **additional** Forms 592-B that you have prepared to reflect how the amount withheld on your entity has been allocated to your S corporation shareholders, partners, members, or beneficiaries. The credit must be allocated to all S corporation shareholders, partners, members, or beneficiaries whether residents or nonresidents according to their interests in your entity.

**Example 1** – You are a partnership with four partners. Three are California residents and one is a nonresident. Since you did not make any distributions during the year, you did not withhold on the nonresident partner. However, you were withheld upon by another withholding agent. The amount withheld on you must be allocated to all four partners according to their partnership interests. Since none of your

partners have Forms 592-B included in line 1, enter "4" on line 6.

**Example 2** – You are a partnership with four partners. Three are California residents and one is a nonresident. You made a distribution during the year and withheld on the nonresident partner. Accordingly, you entered "1" on line 1. You were also withheld upon by another withholding agent. The amount withheld on you must be allocated to all four partners according to their partnership interests. Since your nonresident partner's Form 592-B is already included in line 1, enter "3" on line 6. (The "Total California tax withheld" on line 2 of your nonresident partner's Form 592-B should include both the tax you withheld from the distribution to the nonresident partner and the nonresident partner's share of the tax withheld on you.)

**Line 7** – Enter the amount withheld by another entity and being allocated to your S corporation shareholders, partners, members, or beneficiaries. This credit must be documented by Forms 592-B, 593-B, or 594 from the withholding entity. (Write "Tax Withheld by Another Entity" on the bottom of the Form and attach it to the back of Form 592 with the Forms 592-B that you have prepared.) If any of the amount withheld by the other entity is to be used against the tax owed by your entity, do not include that amount in line 7. Attach a note to Form 592 explaining how much of the credit will be used to offset your tax due.

**Part IV** – Complete the withholding agent's and preparer's information.

#### **Foreign Partner or Member Withholding (Side 2)**

**Year** – Enter the beginning and ending dates for the partnership's or limited liability company's (LLCs) taxable year.

**Form 592-B Type** – Check one of the two boxes to show how you are providing the Form 592-B information.

Magnetic media is required if you withheld on 250 or more payees.

**Part I** – Enter the withholding agent's name, ID number, address, and contact person information. If your entity is a partnership, LLC, estate, or trust that was withheld upon by another entity because you are a foreign (non-U.S.) partner or member of that entity and you are flowing through the withholding credit to your partners, members, or beneficiaries, enter your entity's name, ID number, address, and contact person information in the withholding agent area.

**Part II – Line 1**, Check the "Yes" box if all partners or members of the partnership or LLC are foreign (non-U.S.) nonresidents, regardless of whether they were withheld upon. Check the "No" box if any of the nonresident partners or members are not foreign.

**Line 2** – Enter the number of Forms 592-B attached. There should be only one for each foreign partner or member you withheld upon.

**Line 3a** – Enter the total California source taxable income allocable to non-corporate foreign partners or members, multiply it by 9.3% (the maximum non-corporate tax rate), and enter the result on line 3a.

**Line 3b** – Enter the total California source taxable income allocable to corporate foreign partners or members, multiply it by 8.84% (the maximum corporate tax rate), and enter the result on line 3b.

**Line 3c** – Enter the total California source taxable income allocable to foreign bank and financial institution partners or members, multiply it by 10.84% (the maximum bank and financial institution tax rate), and enter the result on line 3c.

**Line 4** – Add the amounts on line 3a, line 3b, and line 3c and enter the total on line 4.

**Line 5** – List the date and amount of each payment previously sent to the FTB for the year. Enter the total of these payments on line 5.

**Line 6** – Enter the amount of foreign partner or member credit carried over from the previous withholding year.

**Line 7** – Add the amounts on line 5 and line 6 and enter the total on line 7.

**Line 8** – Subtract line 7 from line 4 and enter the result on line 8. If the result is less than zero, enter -0-. Attach a check or money order for the full amount payable to the "Franchise Tax Board." Write the partnership's or LLC's FEIN and "2007 Form 592" on the check or money order.

**Line 9** – If line 7 is more than line 4, subtract line 4 from line 7 and enter the result.

**Line 10** – Enter the amount of your over-payment from line 9 that you want credited to next year's Form 592 instead of refunded.

**Line 11** – Subtract line 10 from line 9 and enter the result on line 11.

**Part III** – Complete Part III only if you were withheld upon by another entity because you were a foreign partner or member.

**Line 12** – Enter the number of additional Forms 592-B that you have prepared to reflect how the amount withheld on your entity is to be allocated to your partners or members. The credit must be allocated to all partners or members, whether residents or nonresidents of California, according to their interests in your entity. Do not include Forms 592-B already included on line 2 or on Side 1.

**Example 1** – You are a partnership with four partners. Three are California residents and one is foreign (non-U.S.). Since you did not have net income for the year, you did not withhold on the foreign partner. However, you were withheld upon by another withholding agent. The amount withheld on you must be allocated to all four partners according to their partnership interests. Since none of your partners have Forms 592-B included in line 2 or on Side 1, enter "4" on line 12.

**Example 2** – You are a partnership with four partners. Three are California residents and one is foreign (non-U.S.). You had net California source income for the year and withheld on your foreign partner. Accordingly, you entered "1" on line 2. You were also withheld upon by another withholding agent. The amount withheld on you must be allocated to all four partners according to their partnership

interests. Since your foreign partner's Form 592-B is already included in line 2, enter "3" on line 12. (The "Total California tax withheld" on line 2 of your foreign partner's Form 592-B should include both the tax you withheld on the California source income of the foreign partner and the foreign partner's share of the tax withheld on you.)

**Line 13** – Enter the amount withheld by another entity and being allocated to your partners or members. This credit must be documented by a Form 592-B, 593-B, or 594 from the withholding entity. (Write "Tax Withheld by Another Entity" on the bottom of the Form and attach it to the back of Form 592 with the Forms 592-B that you have prepared.) If any of the amount withheld by the other entity is to be used against the tax owed by your entity, do not include that amount in line 13. Attach a note to Form 592 explaining how much of the credit will be used to offset your tax due.

**Part IV** – Complete the withholding agent's and preparer's information.

#### **Additional Information**

For additional information or to speak to a representative regarding this form, call the Withholding Services and Compliance's automated telephone service at: **(888) 792-4900** (toll-free) or **(916) 845-4900**.

OR write to:

WITHHOLDING SERVICES AND COMPLIANCE  
FRANCHISE TAX BOARD  
PO BOX 942867  
SACRAMENTO CA 94267-0651

For information on requirements to file a California tax return or to get forms, call:

From within the  
United States. . . . . (800) 852-5711  
From outside the  
United States. . . . . (916) 845-6500  
(not toll-free)

You can download, view, and print California tax forms and publications from our Website at **www.ftb.ca.gov**.

OR to get forms by mail, write to:

TAX FORMS REQUEST UNIT  
FRANCHISE TAX BOARD  
PO BOX 307  
RANCHO CORDOVA CA 95741-0307

#### **Assistance for Persons with Disabilities**

We comply with the Americans with Disabilities Act. Persons with hearing or speech impairments please call:

TTY/TDD . . . . . (800) 822-6268

#### **Asistencia Telefonica y en el Internet**

Dentro de los Estados Unidos,

llame al . . . . . (800) 852-5711

Fuera de los Estados

Unidos, llame al . . . . . (916) 845-6500  
(cargos aplican)

Sitio en el Internet: **www.ftb.ca.gov**

#### **Asistencia para personas discapacitadas**

Nosotros estamos en conformidad con el Acta de Americanos Discapacitados. Personas con problemas auditivos o de habla pueden llamar al TTY/TDD (800) 822-6268.